

STATE OF MARYLAND



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HEALTH CARE
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MARYLAND

Health Insurance Coverage

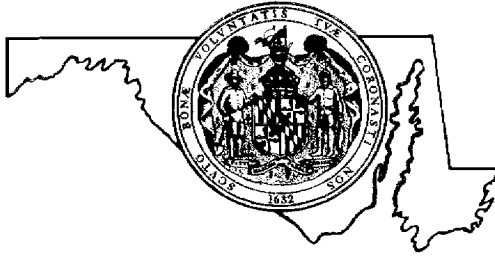
Through 1999

A Graphic Profile



Donald E. Wilson, M.D., MACP
Chairman

STATE OF MARYLAND



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Overview

The purpose of this chart book is to provide detailed information on insurance coverage that is Maryland-specific. Knowing who the uninsured are and how this population is changing supports efforts to improve insurance coverage for Maryland's residents. The figures, tables and comments in this report are designed to assist organizations in both the private and public sectors, as well as individuals, determine which populations are most at risk of being uninsured, which groups make up the most of the uninsured, and how people in various circumstances are covered by health insurance.

This is the second edition of the chart book on insurance coverage, and like the first it focuses on various aspects of insurance coverage in the state and makes comparisons to national data. It begins with a snapshot of how the various types of health insurance are distributed among the state's residents, followed by demographic characteristics of the state's uninsured and insured, the availability and cost of insurance in the private sector, and finally, an assessment of the risk of being uninsured across the state's counties. To assist in characterizing the uninsured, estimates cover the entire Maryland population as well as subpopulations including the nonelderly, the elderly, and workers. The Overview was added to this edition to highlight some findings from the report's charts and tables and compare the information from the two editions to identify trends that might be occurring in Maryland.

Sources of data for this report are: Current Population Survey (CPS), Medical Expenditure Panel Survey (MEPS), and Behavioral Risk Factor Surveillance Survey (BRFSS). Accurate estimates from the Current Population Survey (CPS) require a pooling of three years of data to produce a sufficient sample size. Because of this, annual tracking of policy initiatives are not feasible with this chart book. The 1999 results from the CPS, representing calendar year 1998, are not included in this report primarily because insurance questions in the Maryland survey did not address all Medicaid coverage. Pooling non-consecutive years has been confirmed as a valid estimation method with Current Population Survey staff. For more information regarding data sources see page 21.

Highlights

TYPES OF COVERAGE

Nonelderly: Maryland's 3-year uninsured rate is lower than the comparable national figure: 14% versus 18%, and below the state's previous 3-year estimate (15%). Compared to the U.S., more of Maryland's residents are covered primarily by employer-based insurance: 73% versus 64%, and fewer are covered primarily by Medicaid: 5% versus 9%. 80% of the population is insured through private sources, up from the previous estimate (77%).

Elderly: About 96% of the state's seniors are covered by Medicare. All but 1% of the 65 and over population have at least one source of coverage so they are not included in the following analyses. Nearly 4/5 of the state's Medicare beneficiaries have a secondary source of insurance, predominately through Medigap insurance. Many of the remaining beneficiaries may be enrolled in Medicare HMOs, limiting their out-of-pocket expenditures.

DEMOGRAPHICS (NONELDERLY)

Age: The state's younger adults, ages 19-34, comprise a large segment of the uninsured at 42%, and they are at highest risk of being uninsured. Risk in this group decreases with age, falling from 29% in those 19-24 to 15% in residents 30-34. Children 0-18 have the lowest risk at 10% and account for about 1/5 of the uninsured. Adults 35-64 have below-average risk and correspondingly a lower representation in the distribution of uninsured, 38%, than in the total population, 43%.

Race/Ethnicity: Maryland's Hispanics and Blacks have above-average risk of being uninsured and comprise about half of the state's uninsured while this group is 1/3 of the total state population. Risk for Hispanics is twice that of Blacks (38% versus 19%), but Hispanics account for just 11% of the uninsured because they are only 4% of the total population.

Federal Poverty Level (FPL): The poor (<100% FPL) and near poor (100-199% FPL) in Maryland account for 52% of the uninsured and, as expected, are far above-average in their risk of being uninsured (34% and 31%, respectively). For a family of four in 1999, an income equal to 200% of FPL is \$34,100.

Age & FPL: More than half of uninsured children (60%) and young adults 19-29 (55%) live in families with incomes under 200% FPL. In contrast, more than half of uninsured adults 40-64 (55%) have family incomes greater than 200% FPL. Uninsured adults 30-39 appear to be equally likely to be above or below 200% FPL.

EMPLOYMENT STATUS (NONELDERLY)

Family Worker Type: The majority of the state's uninsured (57%) live in families in which at least one of the adults in the family is employed full-time for the entire year. Persons in families in which the adults are either self-employed or unemployed account for just 17% of the uninsured.

Family Employment Status: Residents living in families that have at least one adult employed for wages (as opposed to self-employed or unemployed) comprise 80% of the uninsured, with half of these people in families with two or more wage-earners. Although those living in families with unemployed or self-employed adults have above-average risk of being uninsured (25% and 24%, respectively), together they account for just 1/5 of the uninsured due to their small numbers in the population.

Families with Wage-Earners: Residents living with two or more wage-earners are more likely to have employer-based coverage (81% versus 73%) and less likely to be uninsured (11% versus 14%) than those residing with one wage-earner. Uninsured residents living with one wage-earner are 54% more likely to be low-income, i.e. under 200% FPL, than those living with more wage-earners (60% versus 39%). The uninsured in wage earning families, regardless of type, have over three times the proportion of low-income people than do their insured counterparts.

Families with No Wage-Earners: About 75% of residents living in families with no wage-earners have health insurance, but those living with self-employed adults are far more likely to have private coverage (70% versus 38%) and far less likely to have public coverage (6% versus 37%) than those living in families where no one is employed. The source of private coverage for those living in "unemployed" families can come from parents or former spouses living in another home or through temporary extension of health insurance at a former employer (e.g., COBRA).

AVAILABILITY & COST IN PRIVATE FIRMS

Uninsured Employees: In Maryland's private sector, employees of firms with fewer than 25 workers comprise the majority (51%) of uninsured workers and are at greatest risk of being uninsured. The risk of uninsurance tends to decrease with firm size, ranging from 29% uninsured in firms with fewer than 10 employees to 7% uninsured in firms with 1,000 or more employees. Compared to last year's data, the risk of being uninsured decreased in most firm sizes, falling 4 points (-12% change) in firms with less than 10 employees and 2 points in firms with: 25-99 (-11% change), 100-499 (-17% change), and 1,000+ (-22% change) employees. As a consequence of the risk dropping more in larger firms than in smaller firms, workers from small firms (<25 employees) comprise a larger percentage of the uninsured than in last year's analysis (47%).

Availability of Insurance: In 1998, 61% of Maryland's private establishments offered health insurance to their employees, compared to 55% nationwide. The proportion offering insurance varies with establishment size, ranging from 100% of those with 100 or more employees to 74% of those with 10-24 employees to just 40% of those with less than 10 employees. A higher percentage of firms offered health insurance in 1998 than in 1997 in almost all size categories. This result, combined with an increase in the percentage of employees choosing to enroll, led to an increase in the proportion with employer-based coverage from last year.

Enrollment Status: Compared to 1997, higher percentages of Maryland's private sector employees in 1998 were eligible for coverage (70% vs 68%) and enrolled (58% vs 54%), with fewer declining (12% vs 14%). The percentage in firms not offering insurance (10%) was unchanged, but below the national average (13%).

Premiums at Work: In 1998 Maryland private employers, on average, absorbed about 83% of the total single premium (\$2,334)¹; and about 73% of the total family premium (\$5,849)². The employers' share of the single premium has increased from 1996 (79%) to 1998. Although the state's average single and family premiums for 1998 appear higher than the national averages, confidence intervals from the MEPS publications³ show that the differences are not statistically significant. Maryland's employer shares in 1998 are also statistically comparable to employer shares nationwide. From 1996 to 1998, single premiums grew nationwide by 9% and family premiums grew 13%.

GEOGRAPHIC CHARACTERISTICS OF COVERAGE

Counties Compared to the State Uninsured Rate: Compared to last year's data, the county groupings are the same except for three counties. Montgomery county moved to the lowest risk group, Washington county moved to the highest risk group, and Carroll county shifted from just below the state average to just above.

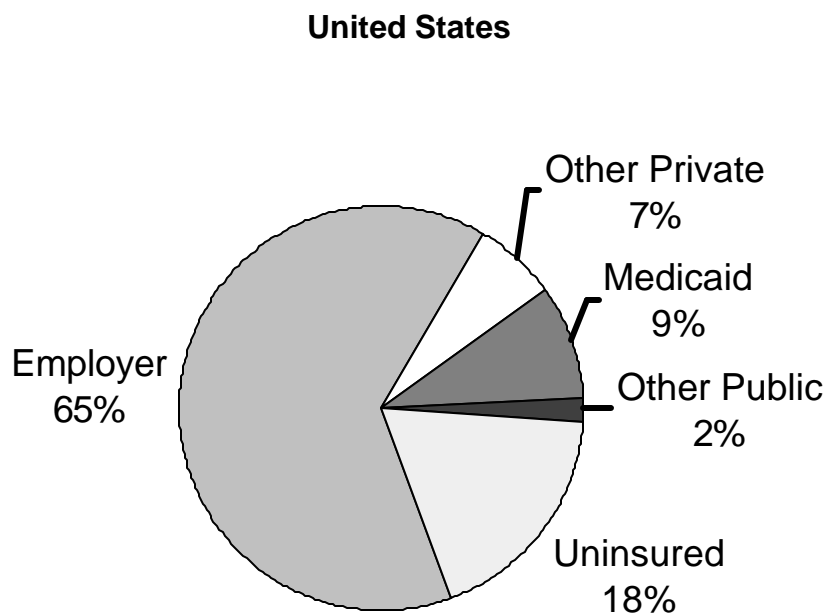
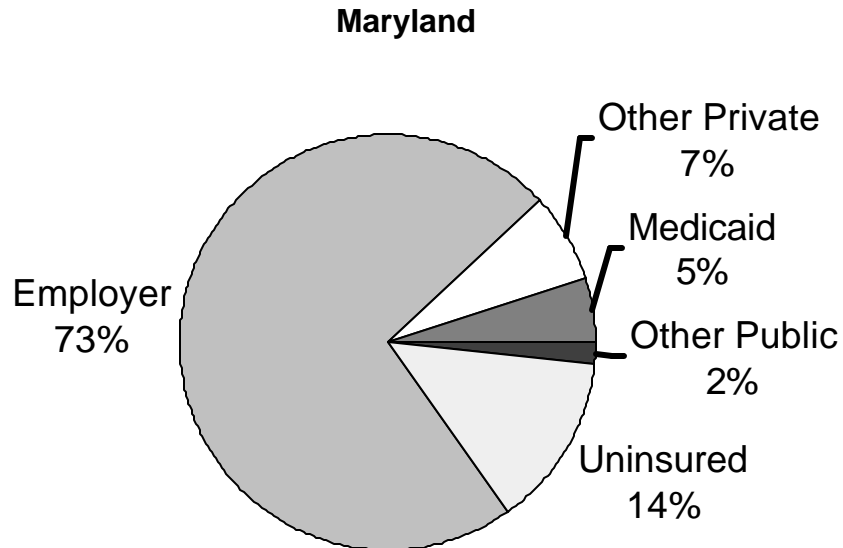
Coverage in the Regions: Among the five regions, the estimated proportion of residents with private insurance as their primary source of coverage is highest in Southern Maryland (74%) and the National Capital Area (71%), which also have the lowest 3-year average uninsured rates (9% and 11%, respectively). Uninsured rates are highest for the Eastern Shore (16%) and Western Maryland (15%), both having more rural counties than other regions. Maryland's rural counties also contain higher proportions of elderly residents giving the Eastern Shore and Western Maryland the highest rates of Medicare enrollment (16% and 14%, respectively). The proportion of residents relying exclusively on Medicaid is greatest for the Baltimore Metro Area (9%) and Eastern Shore (8%).

¹ 90% confidence interval of \$2,226-\$2,442.

² 90% confidence interval of \$5,601-\$6,096.

³ See page 21 for source.

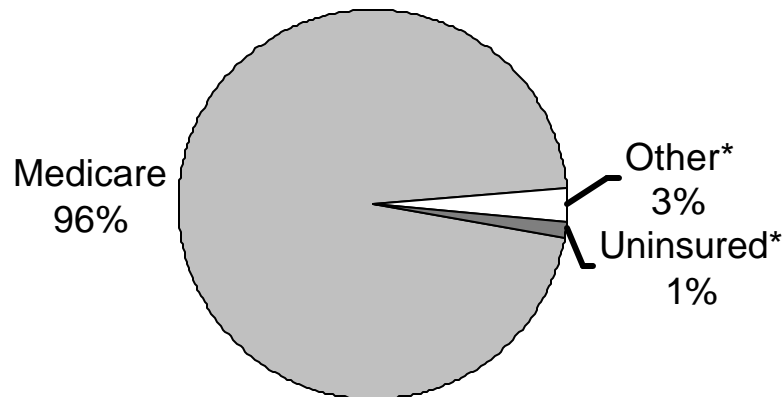
Health Insurance Coverage of the Nonelderly, 1996-1997 & 1999



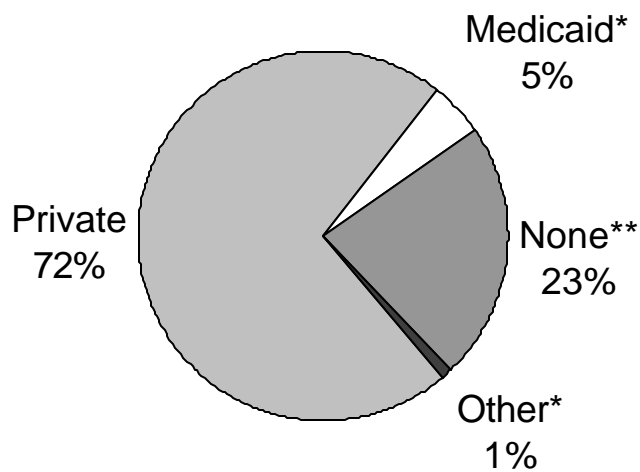
DATA: Current Population Survey, March 1997-1998 & 2000

Health Insurance Coverage of the Elderly, 1996-1997 & 1999

Distribution of Health Insurance Coverage



**Elderly Medicare Beneficiaries
Distribution of Secondary Source of Insurance**



* Sample size below 50.

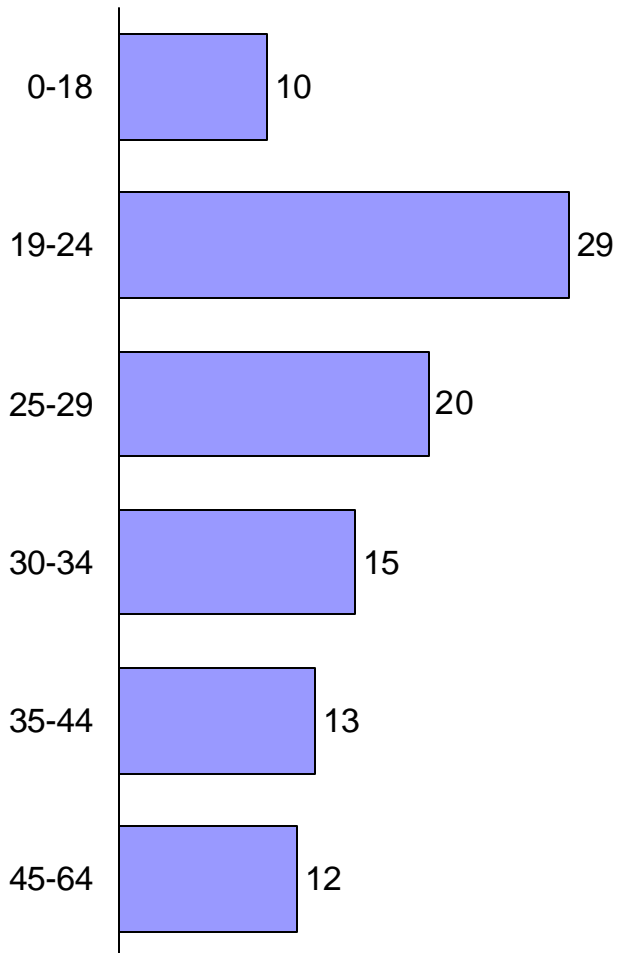
** Some of the beneficiaries who did not cite secondary coverage may be enrolled in Medicare HMOs (Medicare+Choice), which limit their out-of-pocket spending for care. In 1998 and 1999 14 percent and 13 percent, respectively, of the state's Medicare beneficiaries were enrolled in Medicare HMOs.

DATA: Current Population Survey, March 1997-1998 & 2000

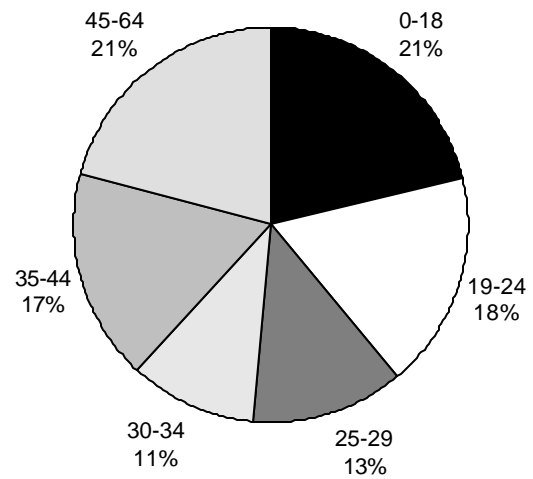
Risk and Distribution by Age

For the Nonelderly Uninsured, 1996-1997 & 1999

Risk of Being Uninsured (%)



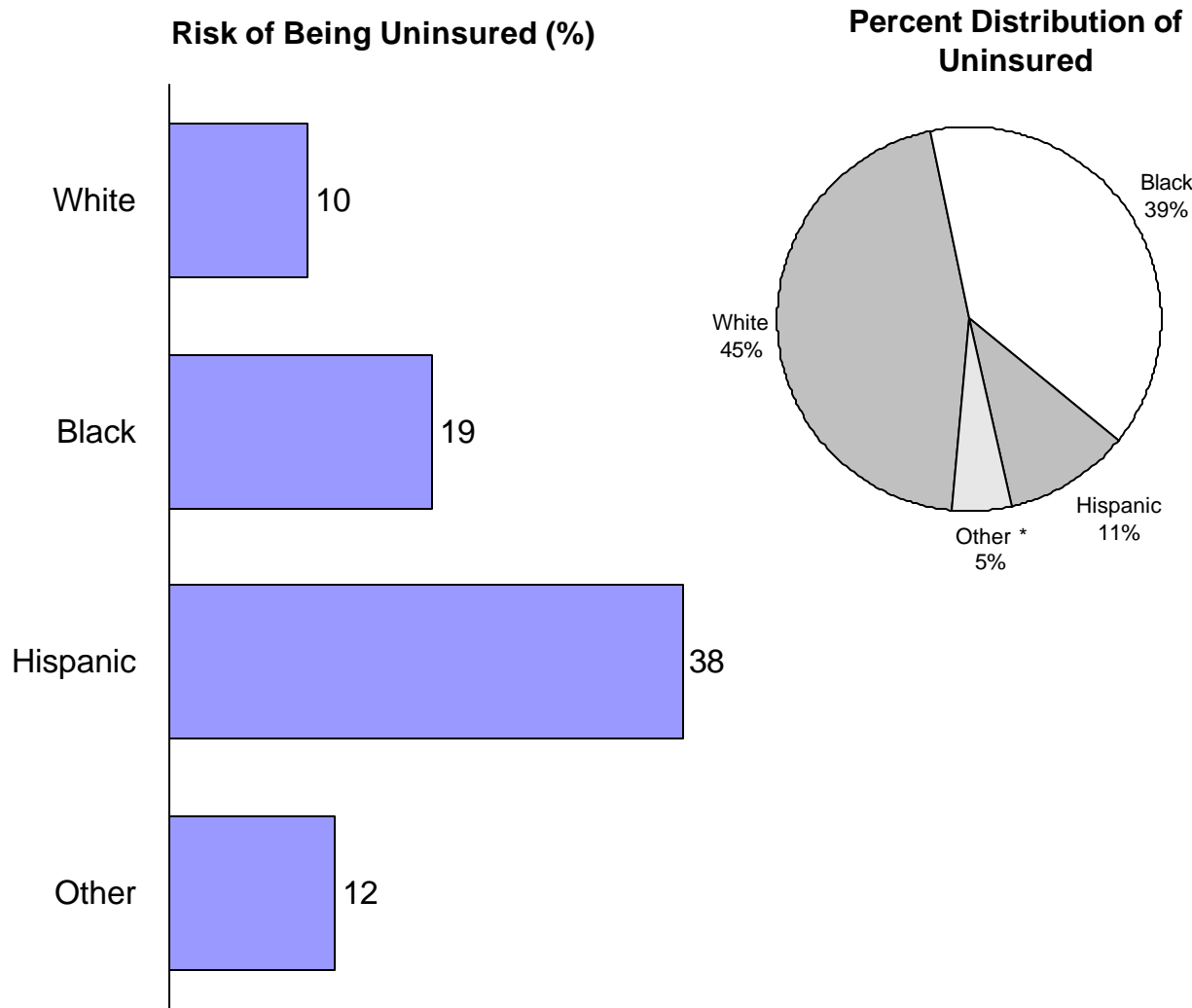
Percent Distribution of Uninsured



DATA: Current Population Survey, March 1997-1998 & 2000

Risk and Distribution by Race/Ethnicity

For the Nonelderly Uninsured, 1996-1997 & 1999

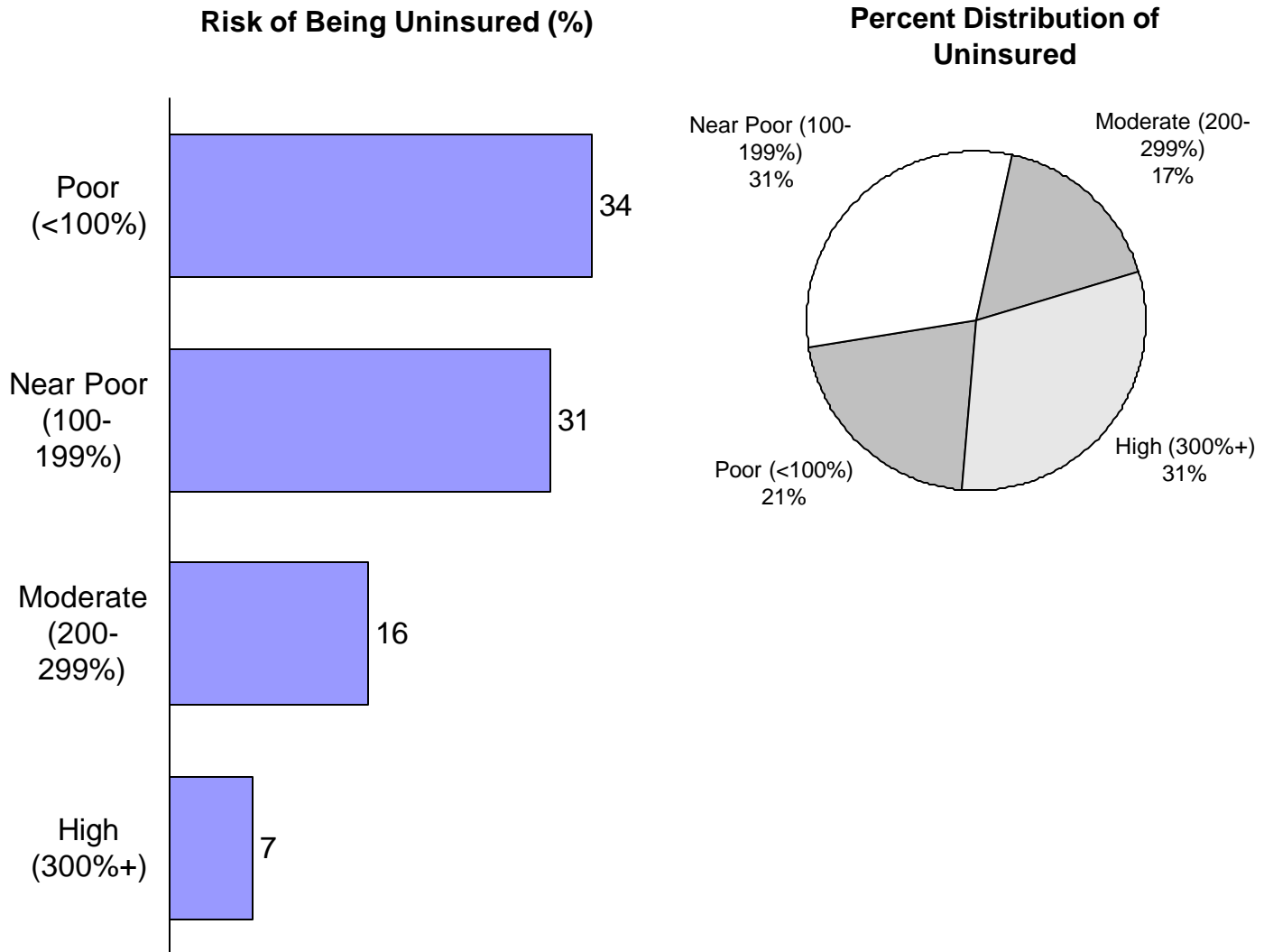


* Sample size below 50.

DATA: Current Population Survey, March 1997-1998 & 2000

Risk and Distribution by Federal Poverty Level* (FPL)

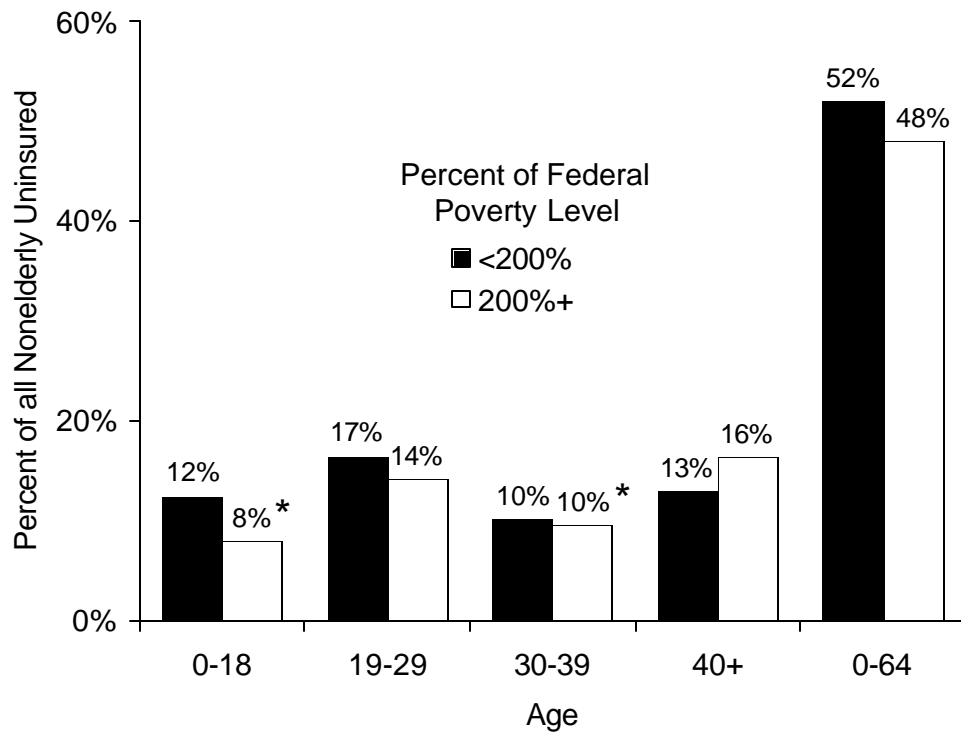
For the Nonelderly Uninsured, 1996-1997 & 1999



* For a family of four in 1999, an average income equal to 200% of FPL is \$34,100.
DATA: Current Population Survey, March 1997-1998 & 2000

Federal Poverty Level and Age Distribution

For the Nonelderly Uninsured, 1996-1997 & 1999



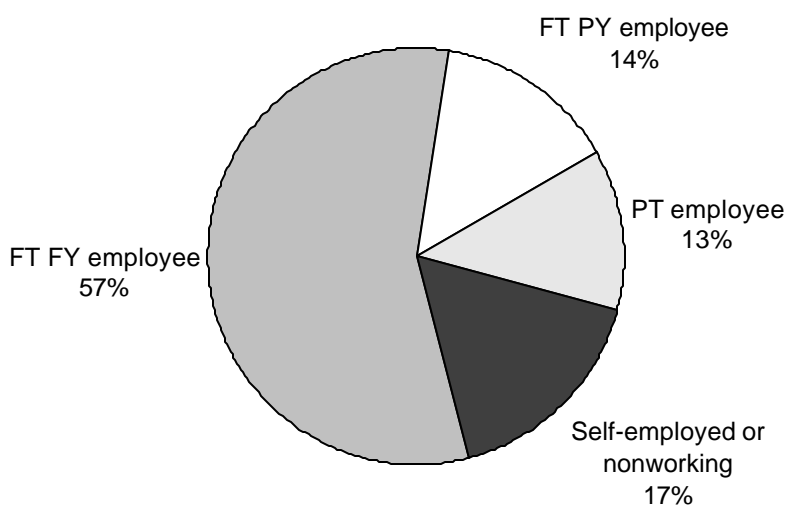
* Sample size below 50.

DATA: Current Population Survey, March 1997-1998 & 2000

Family Worker Type and Employment Status

For the Nonelderly Uninsured, 1996-1997 & 1999

Distribution of Individuals by Type of Worker(s) In Family*



* See End Notes section on page 20 for information regarding definition of family.

DATA: Current Population Survey, March 1997-1998 & 2000.

Statistics by Family Employment Status

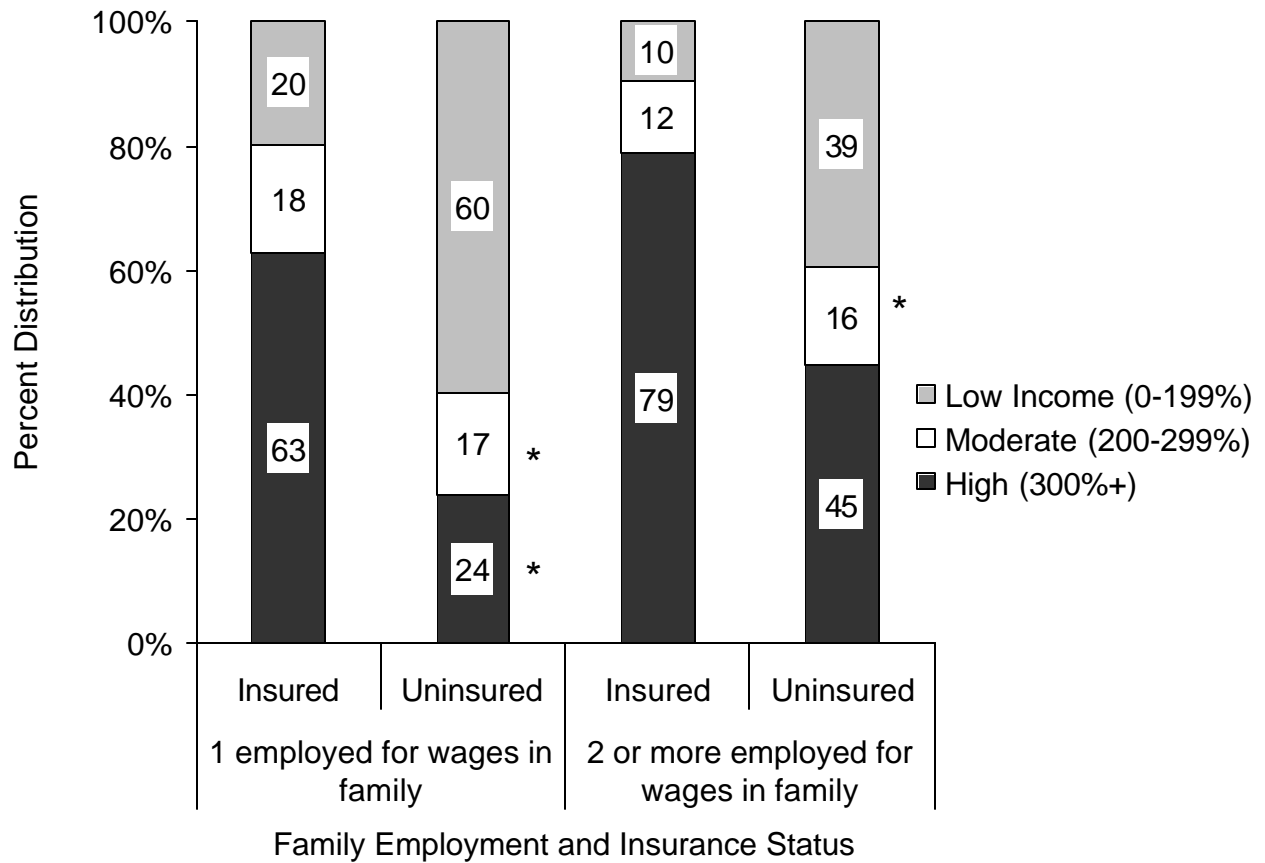
	Risk of Being Uninsured	Distribution of Uninsured	Distribution of Total Population
2 or more employed for wages in family**	11%	40%	49%
1 employed for wages in family**	14	40	40
1 or more self-employed in family***	24	9	5
No employed adults	25	11	6

** May include one or more self-employed.

*** Sample size below 50.

Family Employment, Federal Poverty Level and Insurance Status

For the Nonelderly, 1996-1997 & 1999

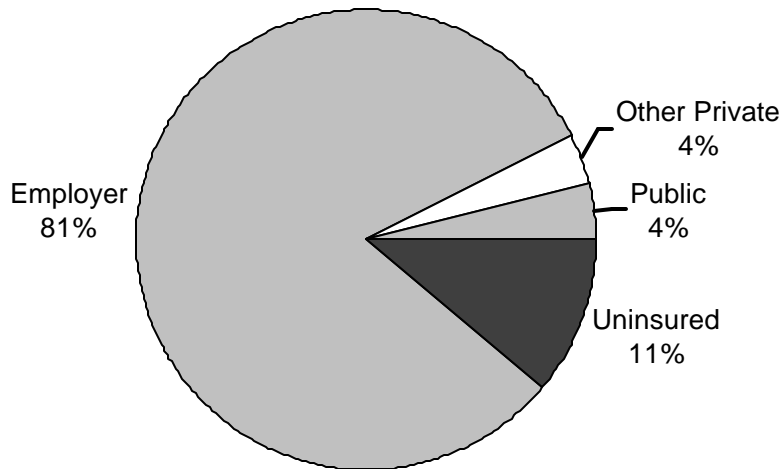


* Sample size below 50.

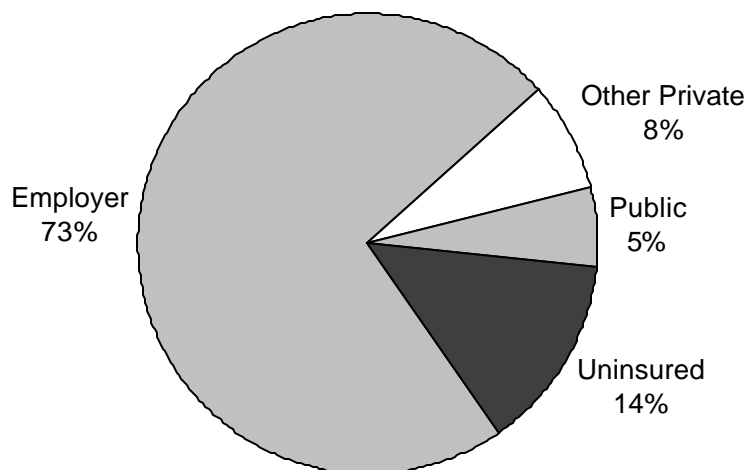
DATA: Current Population Survey, March 1997-1998 & 2000

Health Insurance Coverage by Family Employment Status, For Nonelderly Individuals, 1996-1997 & 1999

Families With Two or More Workers Employed for Wages



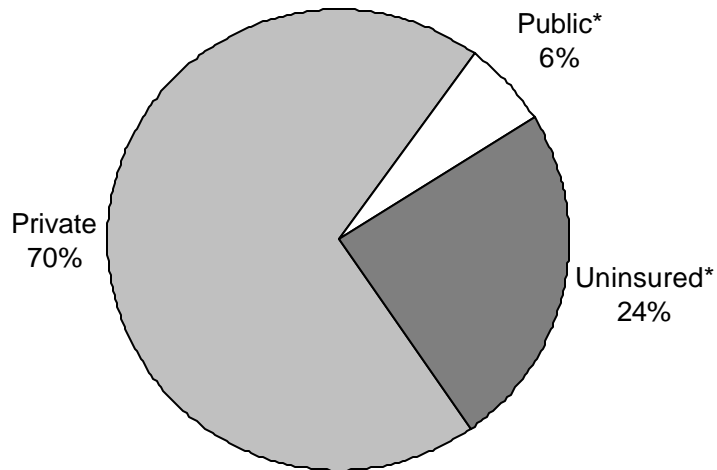
Families With One Worker Employed for Wages



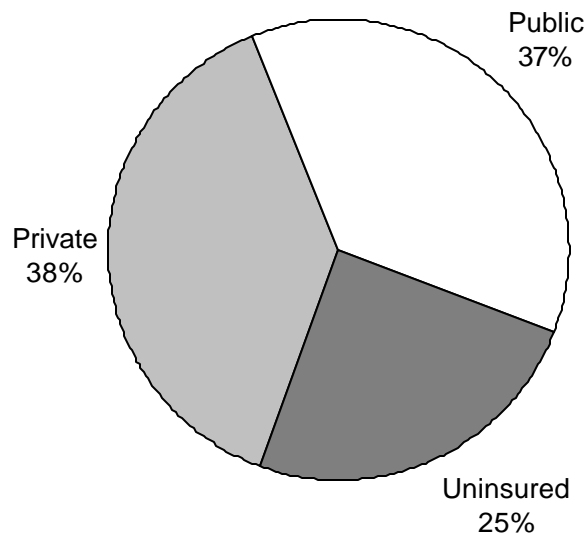
DATA: Current Population Survey, March 1997-1998 & 2000

Health Insurance Coverage by Family Employment Status, For Nonelderly Individuals, 1996-1997 & 1999

Families With One or More Self-Employed Workers



Families With No Employed Adults in the Family



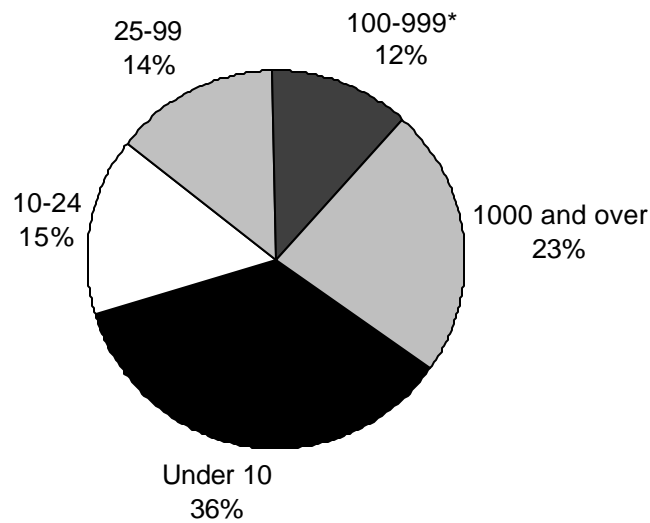
* Sample size below 50.

DATA: Current Population Survey, March 1997-1998 & 2000

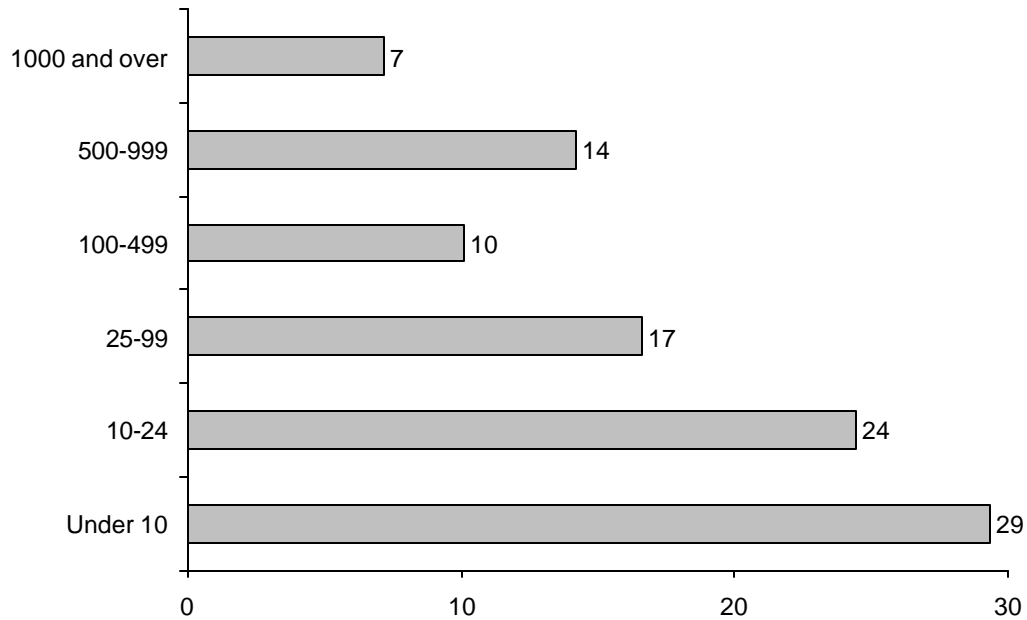
Risk and Distribution by Firm Size

For the Working Uninsured, Ages 18-64, 1996-1997 & 1999

Distribution by Firm Size



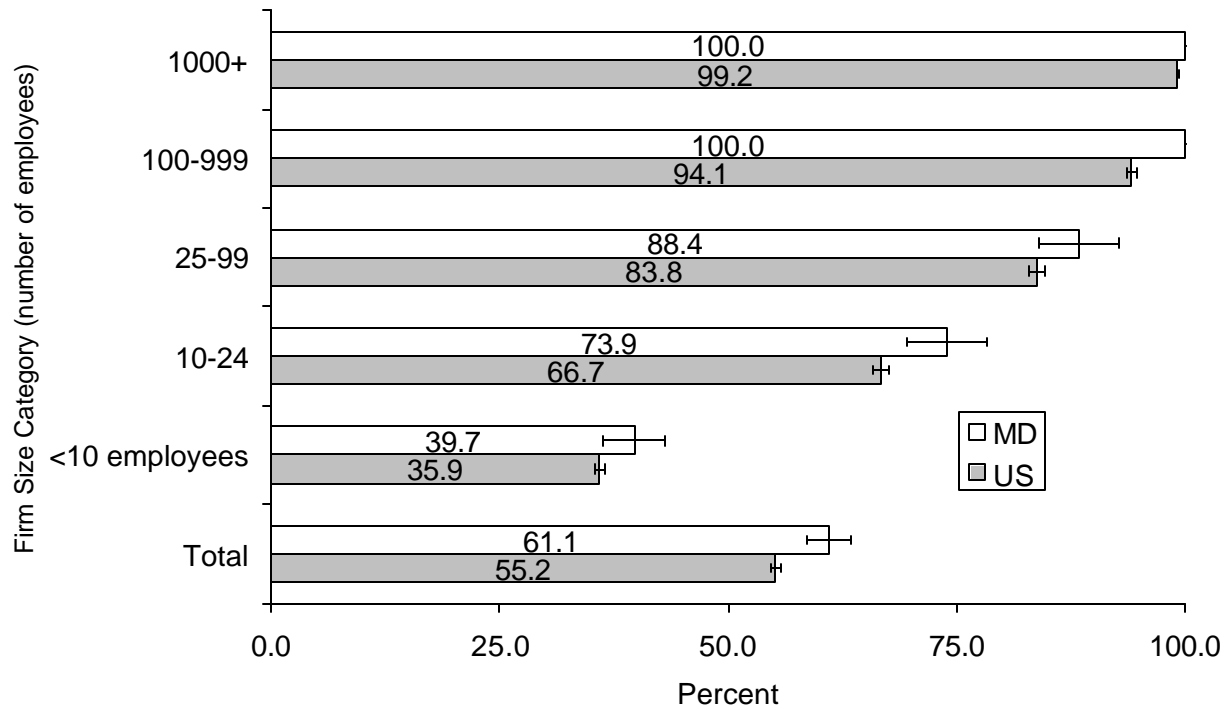
Likelihood of Uninsurance by Firm Size



* Sample size below 50.

DATA: Current Population Survey, March 1997-1998 & 2000

Percent of Establishments Offering Health Insurance Coverage In the Private Sector, 1998



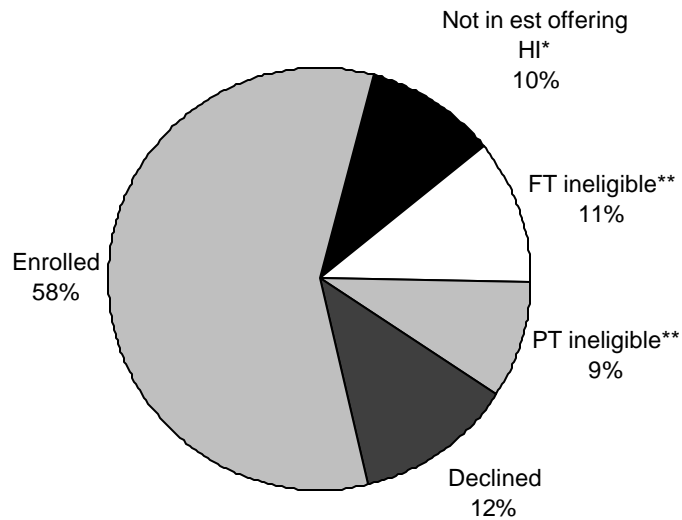
* The intervals represent 95% confidence intervals.

DATA: Medical Expenditure Panel Survey, 1998

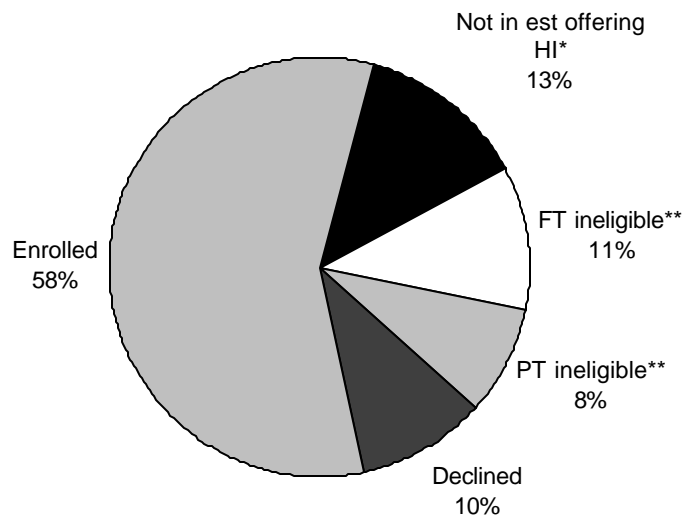
Health Insurance Acceptance Status

For Private Sector Employees, 1998

Maryland



United States



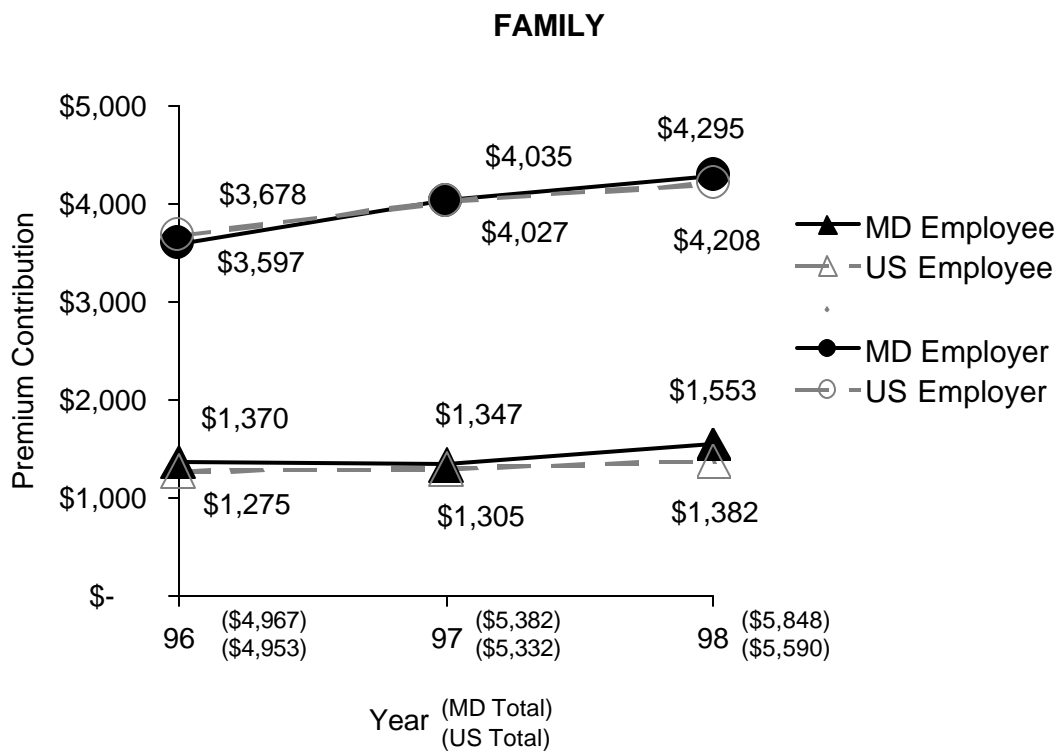
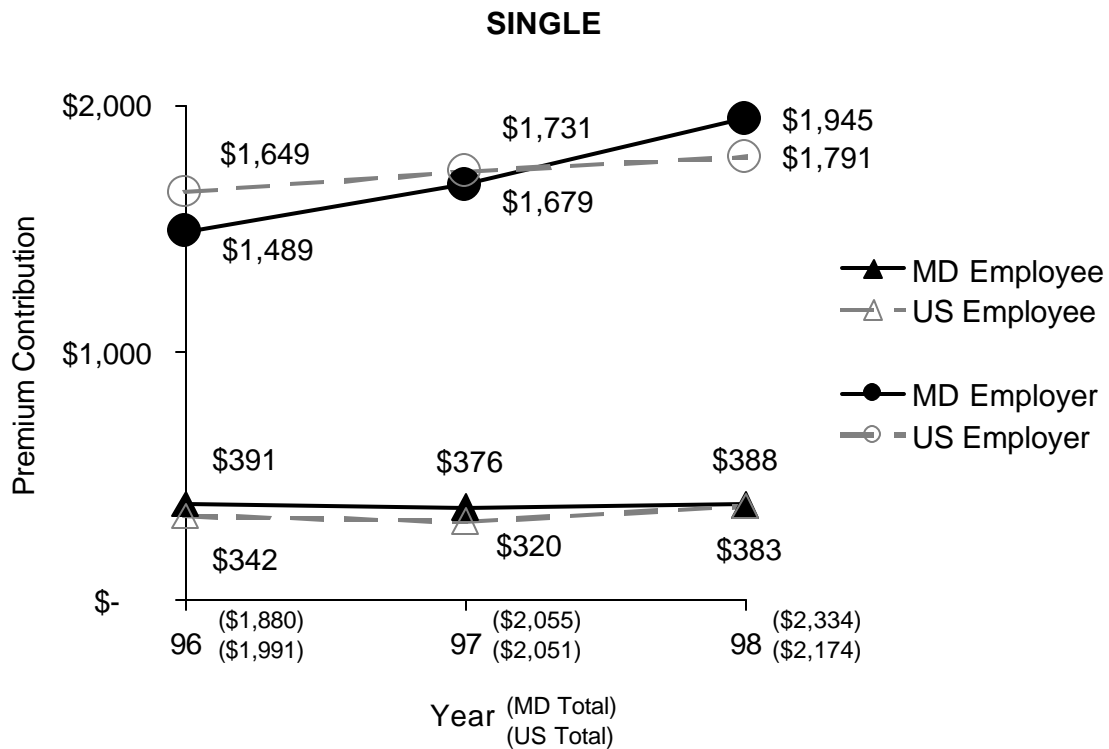
* Est. = Establishment. HI = Health Insurance.

** In firms that offer health insurance (HI).

DATA: Medical Expenditure Panel Survey, 1998

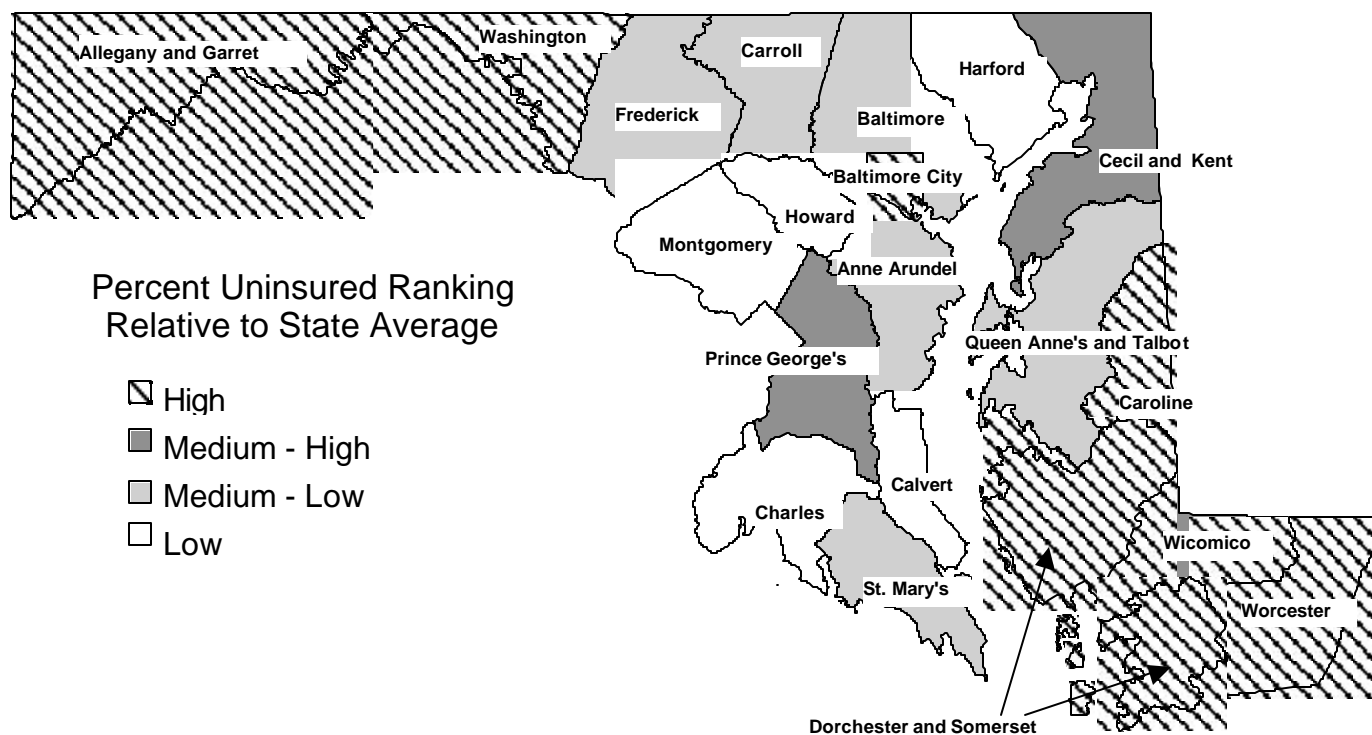
Premium Contribution by Type

In the Private Sector, 1996-1998



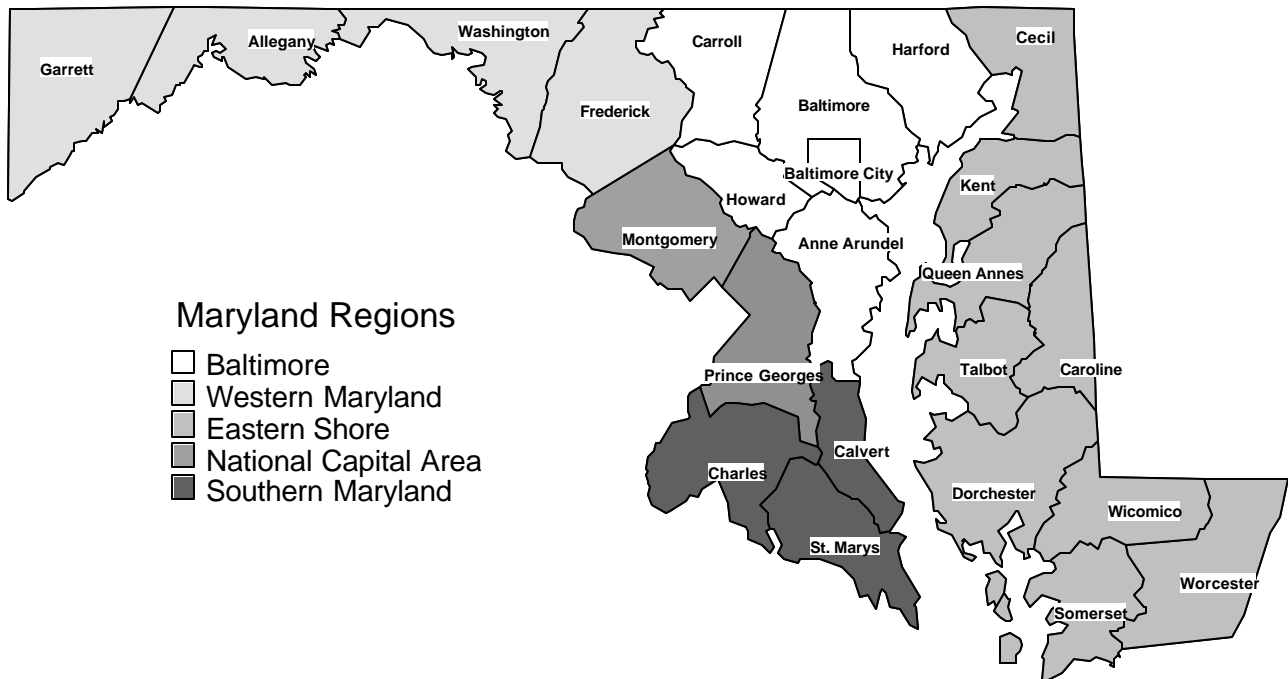
DATA: Medical Expenditure Panel Survey, 1998

Percent of Total Population With No Health Insurance*, By Maryland County or County Group, 1997-1999



* See End Notes section on page 20 for additional information on methodology.
DATA: Behavioral Risk Factor Surveillance Survey (BRFSS), 1997-1999

Regional Health Care Coverage and Economic Indicators, 1998-1999



HEALTH CARE COVERAGE*

	Western Maryland	Baltimore Metro Area	National Capital Area	Southern Maryland	Eastern Shore	Maryland Total
Average uninsured rate, 1997-1999	14.8%	12.3%	11.2%	8.5%	16.0%	12.2%
Estimated private insurance enrollment, 1999	61.7%	62.6%	70.6%	74.2%	56.9%	65.3%
Medicare enrollment (% of pop.), 1999	14.3%	13.8%	10.1%	9.0%	16.4%	12.6%
Medicaid enrollment (% of pop.), 1999	6.4%	8.6%	5.4%	5.5%	8.0%	7.2%
Champus/Tri-Care	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%
TOTAL	100%	100%	100%	100%	100%	100%

ECONOMIC INDICATORS

Personal income per capita, 1998	\$25,238	\$29,479	\$35,084	\$26,438	\$23,720	\$30,311
(1997-98) % change	10.7%	6.1%	4.2%	9.7%	3.5%	5.7%
Unemployment rate, (% of civilian labor force), 1999	3.7%	4.0%	2.6%	2.7%	5.0%	3.5%

* See End Notes section on page 20 for explanation of coverage allocation.

END NOTES

- ? Percentages in pie charts may not add to 100% due to rounding.
- ? A sample size less than 50 indicates the estimate is not considered acceptable for standards of precision and reliability.
- ? Income by Federal Poverty Level derived from Health and Human Services (HHS) Poverty Guidelines: <<http://aspe.hhs.gov/poverty/00poverty.htm>> [2001, Feb. 20].

Page 5

Estimates of Medicaid enrollment among Medicare beneficiaries using enrollment counts obtained from Medicare and Medicaid are higher: approximately 9%.

Page 10

A family was classified as a “full-time, full-year employee family” if at least one of the adults reported working for an employer at least 35 hours per week for 50-52 weeks in a specified calendar year; a “full time, part-year employee family” if an adult worked for an employer full-time for less than 50 weeks; a “part-time employee family” if no adults worked as a full-time employee but one worked for an employer no more than 35 hours per week; “self-employed” if an adult was self-employed; or “nonworking” if no adult worked during the year. For each family the person with the most advantageous employment tenure receives the worker type designation. Full-time, full-year employees rank highest and nonworkers rank lowest.

[For additional details see “Disparities in Health Insurance and Access to Care for Residents Across U.S. Cities”, E.R. Brown et al., Commonwealth Fund, Aug 2000.]

Pages 10-13

1995-1997 figures involving family employment status have changed since the last release of the 2000 report. Due to the change, any comments in this report regarding differences from the 1995-1997 time period will be different from differences calculated directly from the report published last year. For the revised figures contact the Division of Cost and Quality at the Maryland Health Care Commission.

Page 18

These point estimates of the uninsured by county contain a wide degree of variability and also represent a composite, thus a map representing ranges is a feasible method of presentation for this type of estimate. Calculations of the point estimates for uninsured by county include combining county estimates from the BRFSS for ages 18-64, statewide estimates by age group from the CPS, and Census population estimates. Insufficient sample size for one county merited combination with another county for a representative estimate. For additional details regarding the methodology of the construction of the final estimate, contact the Division of Cost and Quality at the Maryland Health Care Commission.

COUNTY ESTIMATES

LOW	MEDIUM-LOW	MEDIUM-HIGH	HIGH
HARFORD	CARROLL	CECIL+KENT	ALLEGANY+GARRETT
HOWARD	TALBOT+QUEEN ANNES	PRINCE GEORGES	WASHINGTON
CALVERT	BALTO COUNTY	WICOMICO	WORCESTER
CHARLES	ST MARYS		BALTO CITY
MONTGOMERY	FREDERICK		DORCHESTER+SOMERSET
	ANNE ARUNDEL		CAROLINE

Page 19

The calculations for ‘percent uninsured’ in regions follow the same methodology as those estimates on page 17. For insurance coverage categories, residents are assigned to their primary insurer. Persons dually insured by Medicaid and Medicare or private insurers are exclusively assigned to Medicare or private insurance only. Private coverage excludes persons with Medigap and limited coverage.

Additional references for data in table titled, “Health Care Coverage and Economic Indicators”, occur in the MHCC report released in January, 2001, titled, “State Health Care Expenditures: Experience from 1999”, p. 27.

LIST OF DATA SOURCES

(1) Behavioral Risk Factor Surveillance Survey (BRFSS), 1997-1999.

Survey Data, National Center for Chronic Disease Prevention and Health Promotion, Centers for Disease Control and Prevention. Maryland's BRFSS is administered by the Community and Public Health Administration, Department of Health and Mental Hygiene.

Health insurance status was based on responses to the question "Do you have any kind of health care coverage, including health insurance, prepaid plans such as HMOs, or government plans such as Medicare?" and two follow-up questions regarding type of coverage.

(2) Current Population Survey (CPS) March Supplements, 1997-1998 & 2000.

U.S. Department of Commerce, Bureau of the Census.

Health insurance status:

The CPS identifies individuals as uninsured if they have lacked coverage for the entire previous calendar year (although many analysts believe that respondents provide information about their current insurance status).¹

(3) Medical Expenditure Panel Survey (MEPS).

Agency for Healthcare Research and Quality, Center for Cost and Financing Studies.

- a. Insurance Component (IC): 1996-1998 Employer-Sponsored Health Insurance Data Tables by State and by Establishment Characteristics. <<http://www.meps.ahrq.gov/mepsdata/ic/index.htm>> [2001, Feb. 20].

¹ Understanding Estimates of Uninsured Children: Putting Differences in Context. [Online]. Assistant Secretary for Planning and Evaluation (ASPE Research Notes). Available at <http://aspe.hhs.gov/rn/rn21.htm> [2000, June 5].

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